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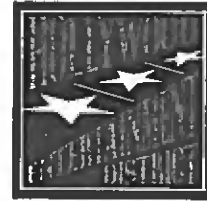
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Executive Director
Kerry Harrington
Morrison



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July 31, 1997

TO: Mike Vitkiewicz, Manager
Office of the City Clerk
Special Assessment Unit

FROM: Kerry Morrison
Executive Director
Hollywood Entertainment District

SUBJECT: Second Quarter Report - April 1, 1997 through June
30, 1997

As is required in our Agreement with the city of Los Angeles, I am submitting our Second Quarter Report to summarize key activities of the new Hollywood Entertainment District. During the second quarter of 1997, the Hollywood Entertainment District has launched its "clean and safe" programs, which represent the cornerstone of our first year objectives. What follows are highlights of Q2 activities:

I. Operational Issues

- IRS and Franchise Tax Board granted the Association's status as a 501(c)6 status as a tax-exempt organization. The BID received pro bono legal assistance from Gibson, Dunn & Crutcher to complete this task.
- I have attached the approved budget for the Hollywood Entertainment District for the current calendar year. The Board adopted this budget at their meeting on June 5, 1997. The Board opted to delay adoption of the budget until after they had completed the process of seeking bids for security and cleaning services. These bids allowed the Board to establish more realistic targets for these services. In addition, the Board has scaled back some anticipated expenses given an assumption of an approximate 10 percent non-pay of the assessment in Year One.

You will notice that the revenue stream anticipates a \$500,000

grant from the CRA/MTA. That grant will likely arrive in September, once the agreement is consummated with the CRA. At that time, we will likely "bifurcate" this budget, because one of the stipulations of the CRA grant is that the assessment funds cannot be commingled with the CRA/MTA funds. At present, we have not filled in any of the expense categories associated with the CRA/MTA funds.

II. Security

- Security Patrol, provided by Burke Executive Security & Investigations, launched Friday evening, April 11. Security provided seven days a week, 7 to 10 hours per day, depending upon need.
- During this period, 100 individuals are arrested within BID area; 39% for substance abuse related reasons; 24% for trespass offenses; 10% for illegal sales and soliciting; remainder for aggressive panhandling, theft, sidewalk offenses etc.
- Trespass Arrest Authorization forms received from nearly all property owners and merchants within BID area. This allows the Security Team to act as the agent of the property/business owner in arresting individuals, after appropriate warnings, who are interfering with the conduct of business.
- Ongoing meetings have been held with representatives of the Hollywood Division of the LAPD to coordinate activities. Additionally, Burke Security met with the MTA Security Team in late April to introduce the BID's program to the MTA guards.

III. Maintenance

- During early May, "Initial Clean-up" was conducted by Hollywood Beautification Team consisting of pressure washing sidewalks along Highland, LaBrea, Orchid, Orange, Sycamore and McCadden (sidewalks that had never been pressure washed before). Street furniture was repainted and curbs were painted red. This initial cleaning allows the HBT to maintain these sidewalks on an ongoing basis.

- Regular schedule of pressure washing "high traffic sidewalks" three times every two weeks (e.g., Hollywood Blvd., LaBrea and Highland) was implemented in May; side streets at least once a month. Back streets are swept three times a week. Zero tolerance for graffiti. Trash bins are emptied at least once a day, and more if necessary. These services augment existing cleaning provided by HBT under contract to city of Los Angeles.
- Special HED Uniforms ordered for cleaning crew and daytime maintenance supervisor. Colorful HED logo trashbins ordered for mobile cleaning crew.

IV. Sign/Sidewalk Ordinance Enforcement

- To allow ample preparation prior to enforcing the sign and sidewalk ordinances, a business/property owner meeting was held on May 28. Representatives from Building & Safety, Public Works, City Attorney's office, LAPD, MTA and the BID were on hand. Copies of the sign ordinance were made available and opportunities to ask questions of the sign inspector were made available.
- Ongoing education about the sign and sidewalk enforcement process was undertaken prior to the launch of the enforcement effort scheduled for July 1, 1997.

V. Communications

- The monthly fax newsletter is now sent to approximately 290 individuals.
- All property owners were invited to meet with representatives of the Board after the sign ordinance meeting on May 28. Approximately five property representatives attended; another similar meeting will be scheduled in September.

VI. Marketing/Events/Promotion

- A website launched in early June at

<http://www.hollywoodbid.org>. Website features available commercial property for lease; information about hotels and historic sites; links to existing web sites (e.g., Disney's "Hercules" home page; Musician's Institute web site, Guinness World of Records home page, etc.); information about HED and the Board of Directors; economic and demographic information; astonishing facts about Hollywood.

VII. MTA/CRA Grant

- Progress has been made toward negotiating an agreement between the HED and the CRA in order to gain access to the \$500,000 grant that comes from MTA Construction Impact funds. A "scope of work" has been developed and presented to the CRA which lays out proposed expenditures in the following areas: (1) preparation of a streetscape/landscape plan; (2) implementation of plan (e.g., purchase and planting of trees; purchase of public fixtures; etc.); (3) dedication of funds to assist the BID expansion effort; (4) funds to undertake marketing and promotion of the HED; (5) a grant to support the Chamber of Commerce's historic signage program and (6) funds to further develop the HED's web site. It is likely the agreement will be completed and the grant will be awarded in Q3.
- To meet the requirements of the agreement with the MTA/CRA, the HED will have to create a separate accounting and budgeting system for the \$500,000. Therefore, attached to this report is a revised budget for the HED that is built around the expectation of property assessment income *only*.

cc:

HED Board of Directors

Hollywood Entertainment District
1997 Proposed Budget
1997

	January	February	March	April	May	June	July	August	September	October	November	December	YTD
BEGINNING CASH FLOW	19,111.78												19,111.78
CASH RECEIPTS													
Assessment revenue	240,000.00			60,000.00			180,000.00	48,980.00					529,980.00
MTA/CRA revenue					500,000.00								500,000.00
Interest income	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00
Miscellaneous income	0.00												
Other	0.00												
Total Cash Receipts	259,611.78	500.00	500.00	60,500.00	500,500.00	500.00	180,500.00	50,480.00	500.00	500.00	500.00	500.00	1,055,091.78
CASH DISBURSEMENTS													
Admin-act fees	400.00	400.00	400.00	1,300.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	5,700.00
Admin-business meals	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
Admin-insurance	3,800.00												3,800.00
Admin-office expenses	1,500.00	1,750.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	5,750.00
Admin-other	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Admin-payroll taxes	574.00	735.00	574.00	301.00	574.00	574.00	574.00	574.00	574.00	444.00	109.00	108.00	5,716.00
Admin-phone-pager	800.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	475.00	5,825.00
Admin-salaries	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	7,500.00	80,000.00
Admin-travel	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
Bank fees													
City fees	6,277.00												6,277.00
Contingency	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00
Equipment	5,000.00												5,000.00
Furniture	500.00												500.00
Interest expense													
Legal													
Maintenance expense				6,600.00	6,600.00	6,600.00	6,600.00	6,600.00	5,000.00	5,000.00	5,000.00	5,000.00	20,000.00
Maintenance-other					2,000.00	2,000.00	500.00	500.00	500.00	500.00	500.00	500.00	59,400.00
Marketing-advertising				1,350.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	7,000.00
Marketing-consultant				11,000.00									5,350.00
Marketing-events	10,000.00				1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	21,000.00
Marketing - other													8,000.00
Marketing-promo materials													
Marketing-web site					1,600.00	1,600.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	10,000.00
Miscellaneous	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	4,800.00
Parking													
Security contract				21,000.00	49,000.00	28,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	278,000.00
Security-LAPD reserves					2,200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	3,600.00
Security-office/setup				6,500.00	1,000.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	13,700.00
Security-other					100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	800.00
Streetscape-banners													
Streetscape-consulting													
Streetscape-lights													
Streetscape-misc													
Streetscape-signs													
Streetscape-trees													
Total Cash Disbursement	37,451.00	12,160.00	10,498.00	59,576.00	72,898.00	51,099.00	51,398.00	51,399.00	56,399.00	56,269.00	55,934.00	55,934.00	558,519.00
Net Cash Flow	222,160.78	(11,660.00)	(9,998.00)	924.00	427,601.00	(50,599.00)	129,101.00	(919.00)	(55,899.00)	(55,768.00)	(55,434.00)	(55,434.00)	498,573.78
Total Cash Flow	-	210,500.78	200,501.78	201,425.78	629,026.78	578,427.78	707,528.78	706,609.78	650,710.78	594,941.78	539,507.78	484,073.78	